



# INDIANA DEPARTMENT OF TRANSPORTATION

*Driving Indiana's Economic Growth*

## Memorandum

December 18, 2007

### CONSTRUCTION MEMORANDUM 07-28

TO: District Deputy Commissioners  
District Highway Operation Directors  
District Construction Engineers  
District Testing Engineers  
District Area Engineers  
Project Engineers/Supervisors

FROM: Mark A. Miller, Director  
Division of Construction Management

*D. Kuehl for M.A.M.*

SUBJECT: Unit Price Justification for Extra Work

Justification of unit prices for extra work has proven difficult at times due to the limited information accessible by INDOT Construction personnel. The unit price bid history available on the INDOT reference CD for construction as well as the INDOT Internet site is often inadequate for proper justification. Access is now available to a more useful resource for obtaining unit price bid history on the INDOT Intranet. The access location and instructions for use are attached. A user account and password will be provided by the Division of Construction Management by separate correspondence. PE/S's should contact their Area Engineer for this information.

After most users have Intranet access the bid history information will no longer be published on the CD or made available on the Internet site. This access should be available to any INDOT employee who is directly connected to the LAN or has a CITRIX account for access to Site Manager. Please contact your computer liaison if you have a CITRIX account and can not access the Intranet. If you do not currently have a CITRIX account then you may have to wait until a later date for access. For those PE/S's that do not have current access to the Intranet it is highly recommended that they request their Area Engineer to access the history for all future change orders.

The information used for price justification should be printed out and put in the project file. The printed results should be available upon request only by the change order approving authority or the Department's Division of Internal Affairs. The results should not be given to the Contractor as this may undesirably guide the price of the work.

The bid history data may be sorted to provide a more accurate estimate of the cost of the work. For example, the estimated project quantity for extra work might be close to only a portion of the bid history

data and therefore be represented by only that portion. In this case the appropriate portion of data may be used for comparison justification in lieu of all the data. In order to preserve the integrity of the data it is recommended that a printed copy of the original data be made for future reference in addition to any data sorting or further calculations. There are no statistical guidelines available at this time for using the data in this manner. The current interface for unit price history does not have the capability to sort data but the data can be copied to other software such as Excel for this purpose.

The price submitted by the Contractor could be accepted if within 10% of the bid history results since the history does not reflect the cost of future work and extra work is not competitively bid. Limitations in the system for accessing bid history may not enable adequate justification to be obtained in all cases. The PE/S should contact their AE for guidance in these instances. District Construction personnel may also contact their Central Office Field Engineer for assistance. Those that have change order approval authority may approve a unit price (provided that the total amount of work is within their approval limits) without the justification of unit price history. This should be done sparingly and would require an explanation to the file. The explanation should include the reasons for not using the bid history and considering the price acceptable. Example situations for not using bid history would include: bid history data not sufficient or current; unique or uncommon circumstance; etc. Example explanations for accepting the price would include: nominal total cost; price acceptable in the judgement of the approving authority; work performed at an accelerated pace; etc. When practical, approval of a price without bid history should include a cost breakdown in addition to an explanation to the file for accepting the price since a cost breakdown itself does not justify a price.

MAM:DAK:JJN

Attachment

## Instructions for Using DSS Account for Bid History Search

The PE/S or AE should check the Contractor's proposed unit price against the unit price bid history available in the Trns\*port module software and accessed with a DSS account via the INDOT Intranet. The weblink is <http://intranet.indot.state.in.us/>; then select "INDOT Applications"; then select "Item Bid History." A user identification and password for a DSS account will be provided by the Division of Construction Management.

Please note the following when using the bid history interface (see Figure 1):

- All CAPS must be used for search criteria.
- The "Sort By" drop down menu does not always work properly; if the search produces no results then retry without using this function.
- As an added precaution, the vendor number should be removed or blacked out before distribution or filing of document.

Item Search - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Home Search Favorites

### Item Search

Home LogOut Previous Next

Use this page to search for the items to be included in the Item Bid Price Summary.

- Select a letting date range from the pull-down menus: the *From Letting Date* must precede the *To Letting Date*.
- Select the column to search by (item number, item description, unit of measure, or type of item) from the *Search Criteria* pull-down menu.
- Select the type of comparison from the *Using Operator* pull-down menu.
- Enter the text to compare against in the *Value* text box.

You may optionally select additional search criteria to further filter your results. You may also specify the sort order of the returned records from the *Sort By* pull-down menu. Press **GO!** to proceed.

From Letting Date: June 06, 2007		To Letting Date: November 14, 2007	
<b>Search Criteria:</b>	<b>Using Operator:</b>	<b>Value:</b>	<b>Sort By:</b>
Item Description	Contains	COMMON	-select-
-select-	-select-		
-select-	-select-		
			<b>GO!</b>

start SECTION 109 (New It... INDOT Intranet Hom... Item Search - Micro... Local intranet 10:18 AM

Figure 1: Selecting initial search criteria.

Once an initial search is done (see Figure 2), the "item code" in the next screen may be clicked on directly to provide a detailed breakdown of information related to the bid history (see Figure 3). This is not necessary but may be helpful in many situations.



## Instructions for Using DSS Account for Bid History Search

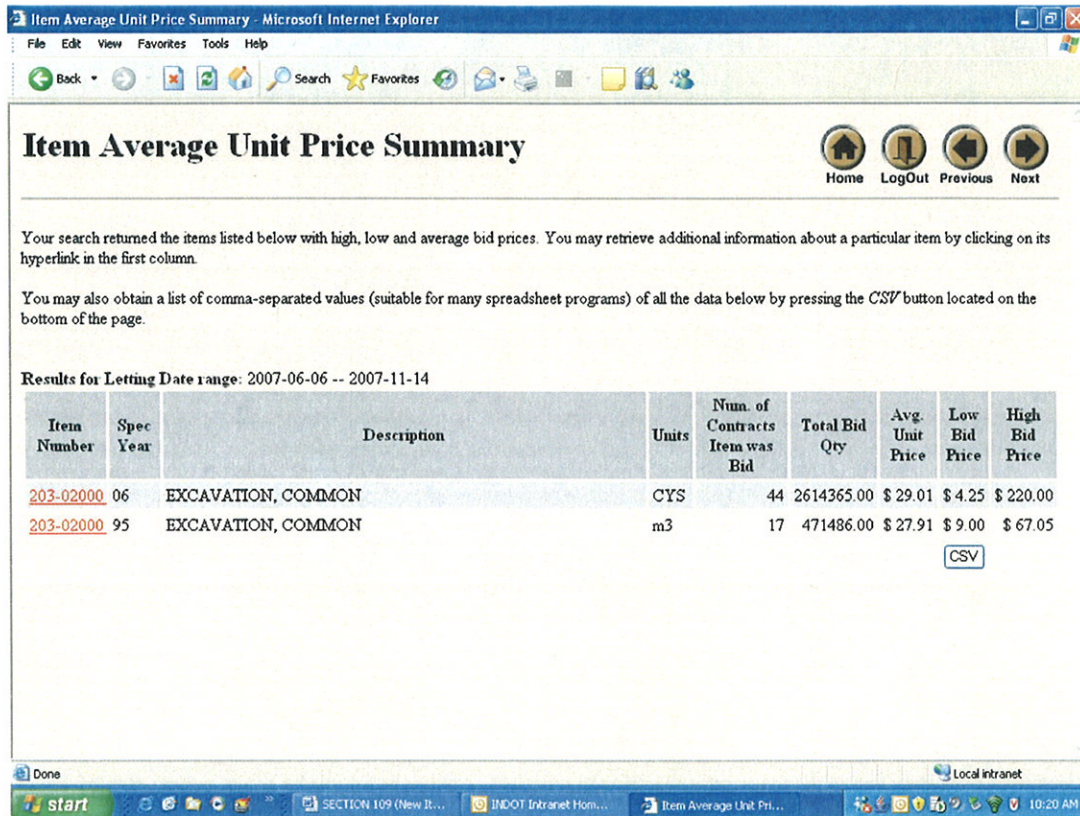


Figure 2: Output from initial search.

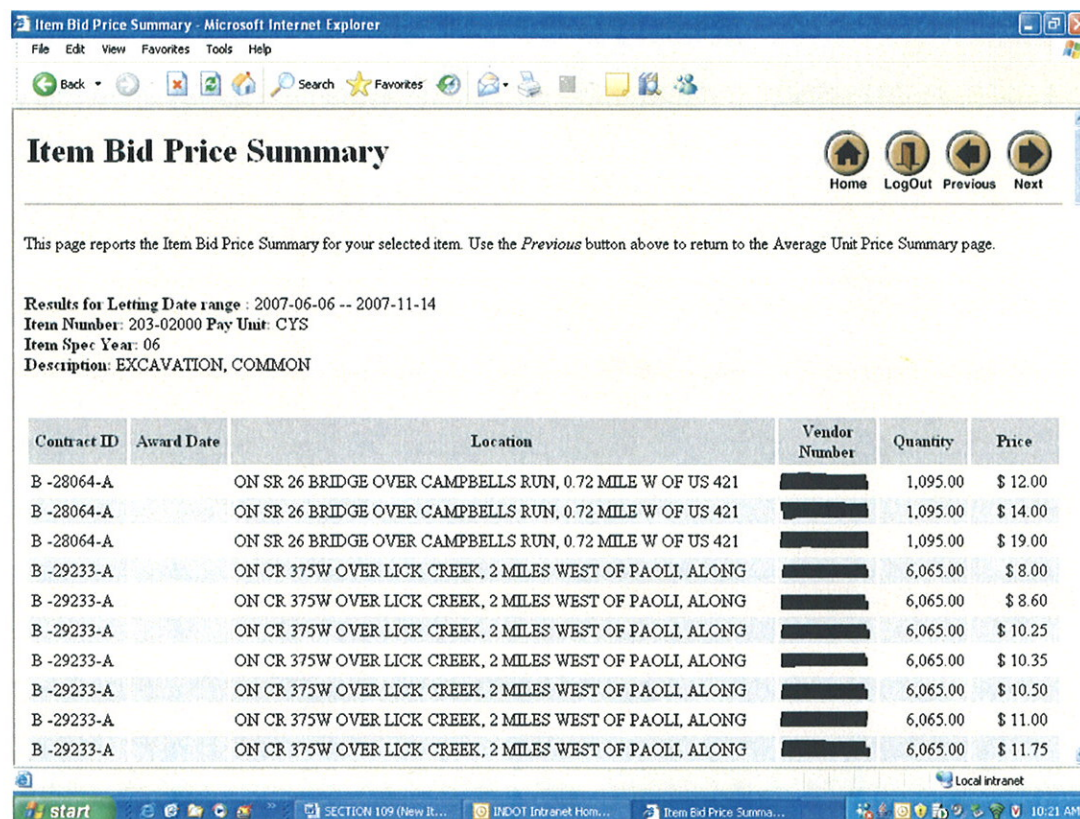


Figure 3: Detailed breakdown.